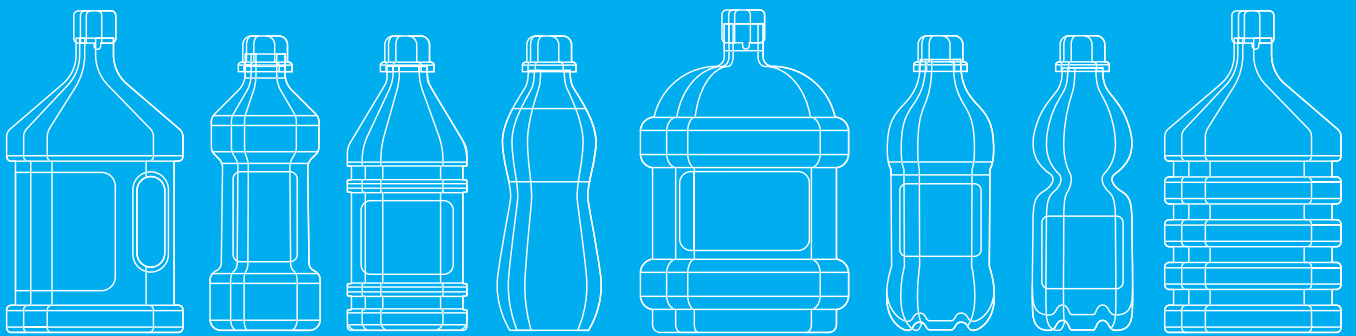


ESG Report



Petainer
2022



COMPANY OVERVIEW

Petainer offers a wide range of sustainable PET packaging solutions which allow its customers to reduce their carbon footprint. It has over 35 years of experience designing and manufacturing high-quality, cost-efficient products with circularity as a core principle. It operates sites in Europe, the Americas and Asia to serve customers globally. With global representation, Petainer manufactures in 4 countries giving it a global manufacturing footprint.

In 2022 Petainer was acquired by Ara Partners. Ara's investment focus on industrial decarbonisation and its expertise and existing presence in the plastics recycling industry in Europe and the Americas make them a uniquely valuable partner for Petainer. Ara's ownership will significantly enhance Petainer's ability to invest in expansion alongside our multi-national customers as these customers implement their global sustainability and circularity strategies.

Sustainability Statement

"Petainer enables businesses to grow without their CO₂ footprint growing with them. We innovate easily integrated one-way and reusable PET packaging to decarbonise established food and beverage markets."

In this, Petainer's first Environmental, Social and Governance (ESG) report, we can share the important changes we are making as a company that flow through on to the market. As a company, we continue to challenge ourselves to maintain transparency in our manufacture, knowing that this information is essential for our customers to put together their own credible carbon reduction strategies.

As end customers become more familiar communicating in carbon, following the chain back to the factory gate, we hope to add to the understanding of PET's benefits for sustainability".

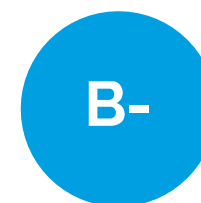


Hugh Ross, CEO

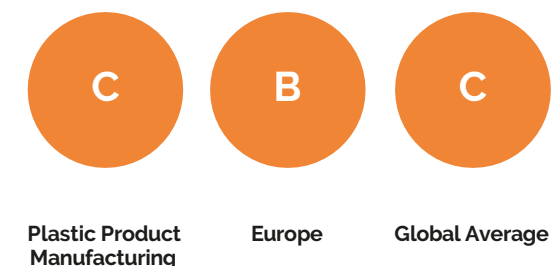
Carbon Disclosure Project

In its disclosure to the Carbon Disclosure Project (CDP), Petainer shared the results of the first 3 years of its carbon emissions reduction program, with data reported from as far back as 2018. To reflect purest score for carbon reduction, removing factors such as PET demand and factory operation, Petainer reported in Total Emissions Per kg of Resin purchased. Petainer are delighted to report a 39 % reduction in 2022 vs 2018. This was achieved by strategies to reduce emissions across scope 1, 2 and 3 emissions. Petainer has been on the front foot, decarbonising its operations from 2018 by moving to renewable energy in its major plants, reducing scope 2 emissions by more than 90% since 2018. Ahead of the EU directive legislating for 25 % recycled material in plastic products, Petainer has been supporting customers to reach up to 100 % recycled PET (rPET). Incorporating rPET is an effective way of reducing carbon emissions, delivering a reduction of up to 79 % in carbon footprint compared to virgin PET. By helping customers incorporate rPET, it also has a positive impact on Petainer's carbon footprint, reducing the indirect emissions from purchased goods. In 2022 38 % of all PET resin used is now recycled PET across Petainer sites, a very encouraging sign that customers are seeing the benefits for themselves and the environment. Petainer's CDP Score is detailed below:

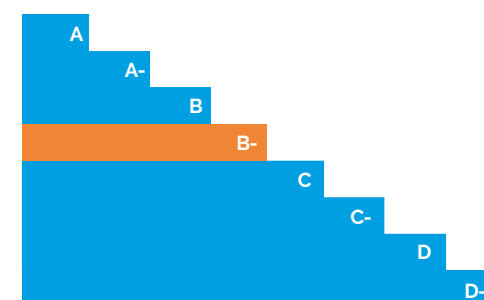
Your CDP Score



Average Performance



UNDERSTANDING YOUR SCORE REPORT

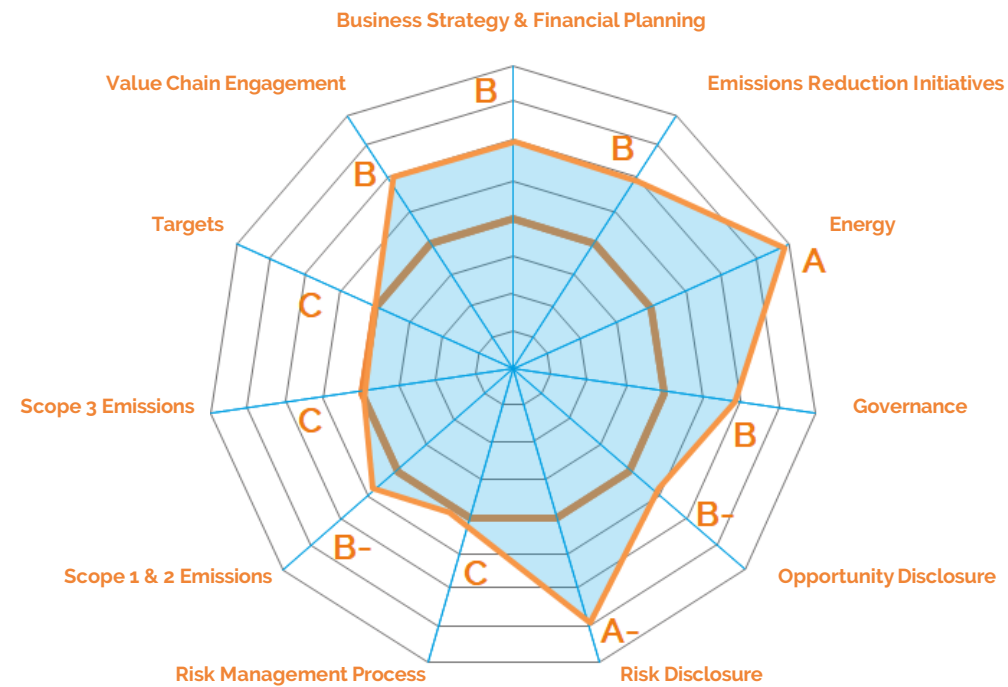


Petainer Group received a B- which is in the Management band. This is lower than the Europe regional average of B, and higher than the Plastic product manufacturing sector average of C.

Leadership (A/A-): Implementing current best practices
Management (B/B-): Taking coordinated action on climate issues
Awareness (C/C-): Knowledge of impacts on, and of, climate issues
Disclosure (D/D-): Transparent about climate issues



CATEGORY SCORES



If a company scored C or below, they will not have been scored for management or leadership points (orange represents this). Please download CDP Scoring Introduction for more information

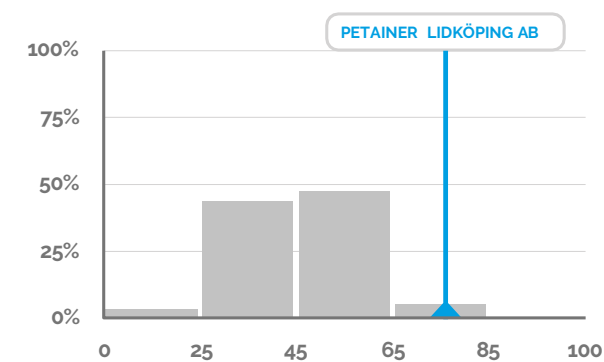


EcoVadis

EcoVadis is a globally recognised assessment platform that rates businesses' sustainability practices. Hundreds of thousands of companies collaborate on a common platform with a universal scorecards, benchmarks and performance improvement tools. With a common framework, brands look to increase their score across 4 key areas: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

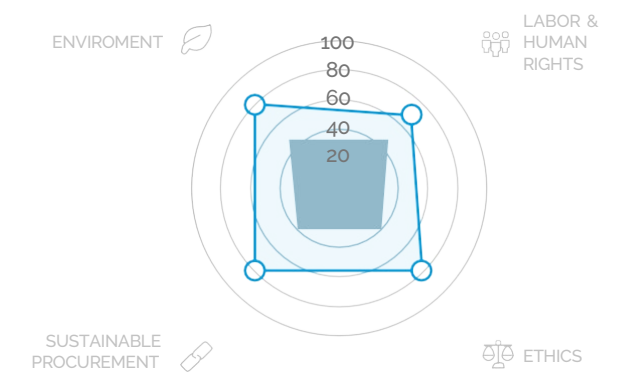
Petainer's Lidköping site is awarded a Platinum Medal, and our Czechia site received a Silver. A Platinum score places us in the top 1% of all companies assessed by EcoVadis.

Overall Score Distribution



● All companies rated by EcoVadis in this industry

Theme Score Comparison



○ PETAINER LIDKÖPING AB Score

● All companies rated by EcoVadis in this industry

Energy Use

Petainer has been using 100 % renewable electricity at its core manufacturing sites in Czechia and Sweden since 2019. In 2022 98 % of electricity used in Petainer's operations worldwide is from a renewable energy source, mainly hydroelectric, this compares to 10 % in 2018. Petainer is developing a strategy to transition other sites to renewable power at the appropriate time.

Petainer Group combined energy use

Year	2018	2019	2020	2021	2022
Total Renewable Energy Share	10%	92%	97%	98%	98%



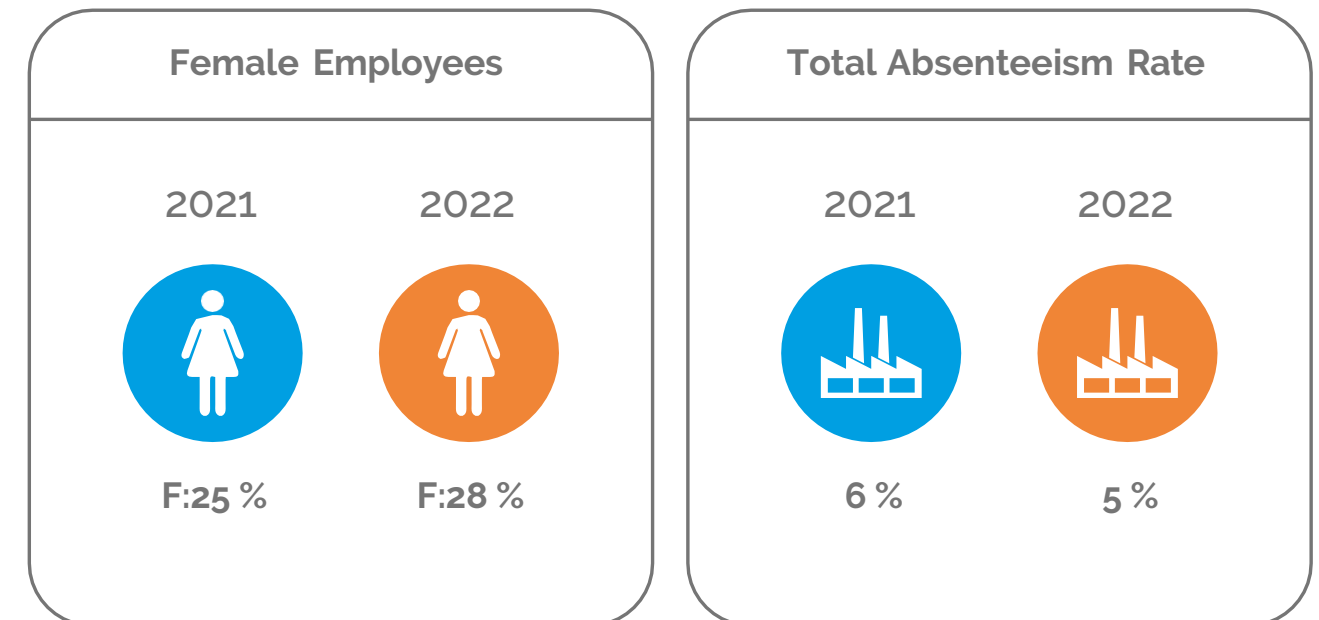
Carbon Neutral Operations

Bringing operations at our Lidköping plant to carbon neutral, the first in the Nordics, showcases Petainer's attitude as a first mover & innovator. We partnered with sustainability consultant ClimatePartner, who ensure a robust, accountable & transparent carbon offsetting process for scope 1, 2 & select scope 3 emissions. Our Lidköping plant's operations have been carbon neutral since 2021 and Petainer was a first mover in renewable energy. Our lead Preform factory in Lidköping, Sweden moved across to 100 % renewable energy in 2018 & was shortly followed in 2019 by our second largest factory in Aš, Czechia. Across both factories, an estimated 64,000 MWh are now powered by energy from renewable energy sources. Since then, our Lidköping factory has been awarded Ecovadis Platinum in 2021 & 2022, putting it in the top 1 % of companies for environmental & ethical practices.

Human Resources

Petainer strongly believes that the people working throughout the business are at the core of its successes as a company. Development, engagement and support therefore are core metrics by which Petainer measure employee satisfaction. With an open culture, where ideas can be formed at site level through to the boardroom, Petainer seek to attract best in class team members to ensure we stay at the cutting edge of our industry. Petainer utilizes an engagement survey in which all employees can feed back into the business with ideas around sustainability, processes and conditions. This dialogue serves to keep safety at the highest level and encourage the implementation of new and innovative ways to make Petainer increasingly sustainable and efficient.

	2021	2022
Total Employees	273	301
Total Net New Hires	3	29
Employee Turnover	14 %	26 %
Female Employees	25 %	28 %
Total Absenteism Rate	6 %	5 %
# of Work-Related Injuries	25	29
Employees Engagement Survey Response rate	58 %	53 %



Petainer operate a stringent code of conduct, followed by all sites across the globe.

Petainer Group is committed to ethical business practice and to make a positive contribution to the environment and society in general. Our ambition is to closely work with our suppliers to obtain the very highest standard of these practices.

This Code of Conduct is based on the general principles such as the UN Guiding Principles for Business and Human Right, UN Global Compact and International Labour Organization Conventions, the Universal Declaration of Human Rights and the Childrens' Rights and Business Principles.

In addition to meeting the requirements of this Code, all shall comply with national laws and regulations as well as other applicable standards and any other relevant statutory requirements, whichever are more stringent.

Petainer Code of Conduct applies to all Suppliers, Contractors, Consultants and other providers of services or goods. It is the responsibility of the Suppliers to ensure that this Code is followed by their Employees, Supply Chain and other parties acting on their behalf.



Human Rights

Petainer Group adheres to all international principles, conventions and declarations of human rights. Equal rights and opportunities are promoted within the company.

We expect our suppliers to:

Have no engagement in or support of discrimination on the basis of race, colour, sex, language, religion, political or other opinion, caste, national/social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics during recruitment and employment.

Petainer commits to respect Employees' rights to privacy and integrity.

Working Conditions

Fair working conditions together with a safe work environment are a top priority within the Petainer Group. This is regardless of position or status within the organisation. Systematic health and safety work is a natural part of our daily activities. Occupational Health and Safety performance is constantly reviewed and improved to prevent injuries and illness in the workplace, both physical and mental. Internal and external resources are available to ensure that this is achieved.

We expect our suppliers to:

- Ensure that all workers have the right to form and join unions or other associations to bargain collectively.
- Ensure all Employees have a written employment contract.
- Ensure that Employees receive at least the legal minimum wage, benefits and are compensated for all hours worked. Employees should not be required to work more than 60 hours a week, including overtime, on a regular basis.
- Ensure that all Employees will be granted paid holiday, parental leave and sick leave if required.
- Have no engagement in, or take benefit from, any form of child labour.
- Have no form of forced labour including bonded labour, nor the use of prison, illegal labour or compulsory agreements.



- Deduction from wages shall be according to law and/or collective agreements and must never be used as a disciplinary measure.
- Provide an adequate health and safety policy to state intent and guidelines to steer decisions and reach targets.
- Employees shall be provided with the necessary protective equipment and safety equipment to perform their tasks safely.
- All equipment shall be maintained, used and provided free of charge where required. The workplace shall be maintained to protect workers from work-related hazards and ensure good working conditions.
- Incidents and accidents shall be reported and evaluated with the necessary actions being taken as a result.

Business Ethics

Petainer Group is committed to developing a business focused on innovation and sustainable development. Conducting our business in an ethical and sustainable way is fundamental to our strategy. The Petainer Group has a reputation for integrity in its business activities which is central to our relationships with Customers, Employees, Suppliers and local communities.

We strive to maintain the highest standards of Ethical Conduct and Corporate Responsibility.

We expect our suppliers to:

- Have zero tolerance towards bribery and corruption in its worldwide business operations, whether in the public or private sector.
- Conduct business in an ethical manner.

Global Health and Safety Policy Statement:

Petainer is committed to promoting the health, safety, and well-being of its employees, visitors, and the communities in which we operate around the world. We recognise our responsibility to protect the health and safety of our workforce and the public.

GLOBAL HEALTH AND SAFETY POLICY AVAILABLE ON REQUEST



Environment

Sustainability is a cornerstone of our strategy for the future growth of our business and our long-term vision. We are committed to the principles of sustainable development and aim to encourage and work with Suppliers who uphold the same principles as ourselves. To be truly sustainable, our packaging must provide value, be safe and secure and economically effective. As well as meeting consumer needs, ideally it should be capable of being reused and recycled.

The foundation of our environmental work is an ambition to protect the environment using renewable resources in such closed circuits as possible, avoiding the use of environmental pollutants, thereby preventing contamination.

Petainer Group's subsidiaries have implemented an Environmental Management System based on an international standard – ISO 14001.

In the fight against climate change Petainer is committed to strive towards carbon neutrality. We engage in carbon offsetting projects together with external partners. Offsetting carbon emissions, in addition to avoidance and reduction, is an important step towards carbon neutrality. We encourage our suppliers to initiate such projects themselves.

Petainer Group strives to minimise the negative environmental impacts of its activities, products and services through a proactive approach and the responsible management of its environmental impact as follows:

- Innovation; develop sustainable products through design and material choice.
- Products shall be safe, provide value and be economically effective.
- Continually explore and assess opportunities to introduce modern technologies and new equipment which will give cost-effective improvements to activities that have an impact on our environmental performance.
- Carbon Footprint; proactively work to reduce its direct and indirect carbon footprint throughout the whole supply chain.
- Waste-Management; pesticides, chemicals and other hazardous waste are handled in compliance with applicable laws and regulations. Work proactively to ensure that no hazardous waste ends up in land, air or water. Implement measures to avoid water pollution by preventing and reducing waste-water. Continuously strive to reduce waste by reusing and recycling resources.



We expect our suppliers to:

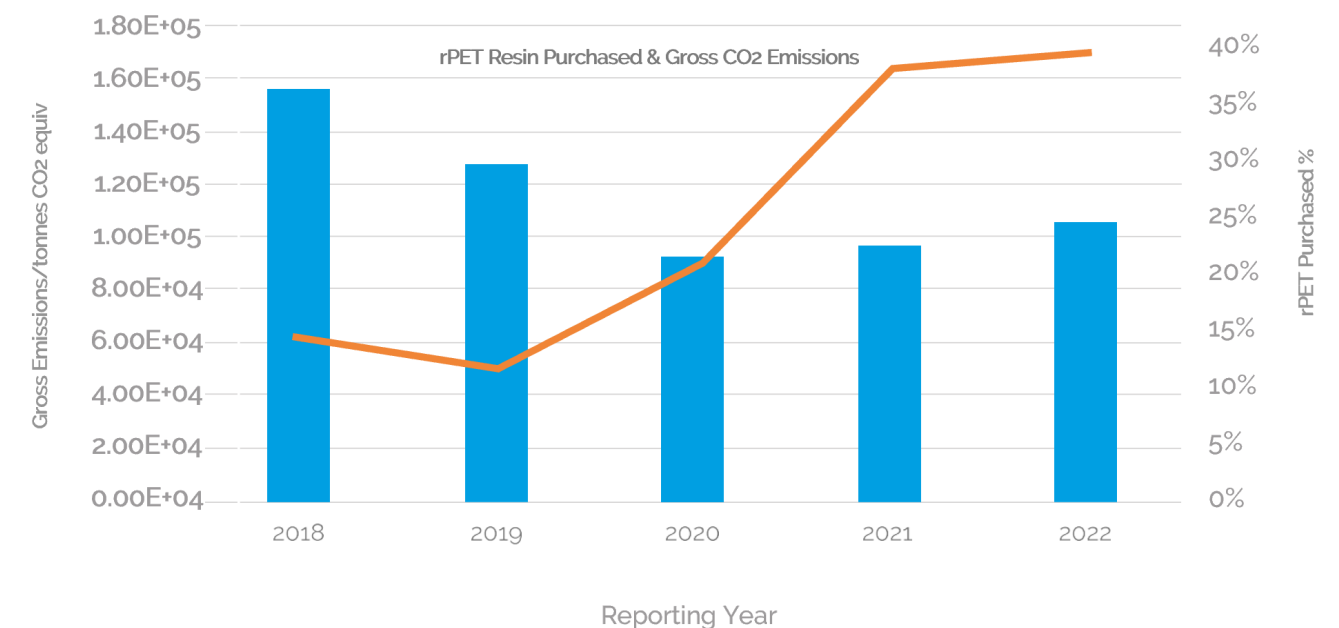
- Continuously improve the environmental performance of products and services.
- Maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable way.

Science Based targets

Petainer have been committed to a Near term: 1.5°C by 2030 Science Based Target since 2022. Petainer commits to reduce scope 1 and scope 2 GHG emissions 50 % by 2030 from a 2018 base year, and to measure and reduce its scope 3 emissions.

Circular Economy

Petainer stick to the mantra of reuse, reduce and recycle. Our experts work to increase the amount of recycled content as a total % of resin utilised. As a % of total resin used, from a 2018 baseline, Petainer have increased the percentage to 38 % from 18 % in 2018.



Petainer's use of 38 % rPET equates to avoided CO2 emissions of 9226 tonnes CO2 equivalent.

Petainer raises awareness of circular economy principles through its membership of Petcore Europe, articles on the Petainer website and across social media. We engage with shareholders and customers to showcase the impact increasing their recycled material content could have across their carbon footprint.



Sonia San Martin, Senior Scientist of Petainer UK remarks 'Petainer has been at the forefront of high recycled PET preforms for the past 15 years due a strong polymer science development team. One-way PET preforms have been produced with 100 % rPET and significantly reduce the carbon footprint of our customer's products. Our refillable PET bottles are also available with up to 50 % recycled content. Both products benefit from a lower carbon footprint whilst maintaining product quality. Petainer is well placed to continue this drive towards more and more recycled content being placed into its products.'

Greenhouse gas emissions 2022

	2018	2022	
Scope 1	144	156	Tonnes CO2 equiv
Scope 2	30,559	1,219	Tonnes CO2 equiv
Scope 3	125,570	104,688	Tonnes CO2 equiv

Petainer's scope 1 emissions comprise of company vehicle use and the use of methane gas for warehouse temperature control. Projects are underway to understand the best way to decarbonise these direct emissions.

With respect to scope 2 emissions, over 98 % of Petainer's global energy use is from renewable sources, however some sources remain that are non-renewable. Some of these manufacturing sites using non-renewable energy have already been closed in 2023, reducing the impact. A plan is in place to transition sites to renewable power when supply and conditions allow.

Petainer's scope 3 emissions are made up primarily of: Purchased goods and services, downstream transportation and distribution, upstream transportation and distribution, waste generated in operations, business travel and employee commuting. Smaller contributions are present but are not currently measured. The overwhelming majority of Petainer's greenhouse gas emissions come from scope 3 emissions, which is primarily made up of purchased goods and services. The major component of this is virgin PET production.

Petainer is committed to supporting its customers in the transition to more sustainable products through the inclusion of rPET content and the use of refillable solutions, which both reduce the relatively carbon intensive virgin PET use. The second biggest impact to Petainer's scope



3 emissions are components produced by suppliers, the use of recycled content is used where appropriate to reduce the carbon footprint. Further to this, lightweighting to reduce product weight and engaging with suppliers to ensure renewable energy use, forms part of Petainer's strategy to decrease emissions in this category. Upstream and downstream transport emissions form a small, but significant contribution. Petainer is optimizing logistics where possible and is exploring ways to increase energy efficiency of existing deliveries.

ESG Policy Statement:

'Petainer is committed to conducting its business operations with a strong focus on Environmental, Social, and Governance (ESG) principles. We recognize the importance of sustainability, ethical behavior, and responsible corporate governance in creating long-term value for our stakeholders. This policy outlines our commitment to ESG and serves as a framework for our actions and decisions.'

ESG POLICY AVAILABLE ON REQUEST



